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Attorneys for Complainant

ORIGINAL

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. AC-2006-9

DOUGLAS EDWARD WILLIAMS
19611 East Covina Hills Road
Covina, CA 91724

**STIPULATED SETTLEMENT
AND DISCIPLINARY ORDER**

Certified Public Accountant License Certificate No. 37246

Respondent.

IT IS HEREBY STIPULATED AND AGREED by and between the parties to the
above-entitled proceedings that the following matters are true:

PARTIES

1. Carol Sigmann (Complainant) is the Executive Officer of the California
Board of Accountancy, Department of Consumer Affairs. She brought this action solely in her
official capacity and is represented in this matter by Bill Lockyer, Attorney General of the State
of California, by Susan Melton Wilson, Deputy Attorney General.

2. Respondent Douglas Edward Williams is representing himself in this
proceeding and has chosen not to exercise his right to be represented by Counsel.

3. On or about March 18, 1983, the California Board of Accountancy issued
Certified Public Accountant Certificate No. 37246, to Douglas Edward Williams, (Respondent).
The Certificate was not valid for practice, either inactive or expired, during the following

1 periods:

2 October 1, 1990 through October 27, 1990 - expired

3 October 1, 1992 through October 25, 1992 - expired

4 October 1, 1994 through July 18, 1997 - expired

5 July 19, 1997 through June 29, 1998 - inactive

6 October 1, 2002 through January 8, 2003 - expired

7 January 9, 2003 through September 30, 2004 - inactive.

8 The Certificate has been regularly renewed in the active status and will expire on September 30,
9 2006, unless renewed.

10 JURISDICTION

11 4. Accusation No. AC-2006-9 was filed before the California Board of
12 Accountancy (Board), and is currently pending against Respondent. The Accusation and all
13 other statutorily required documents were properly served on Respondent on May 17, 2005.
14 Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation
15 No. AC-2006-9 is attached as **Exhibit A** and incorporated herein by reference.

16 ADVISEMENT AND WAIVERS

17 5. Respondent has carefully read, and understands the charges and allegations
18 in Accusation No. AC-2006-9 Respondent has also carefully read, and understands the effects of
19 this Stipulated Settlement and Disciplinary Order.

20 6. Respondent is fully aware of his legal rights in this matter, including the
21 right to a hearing on the charges and allegations in the Accusation; the right to be represented by
22 counsel at his own expense; the right to confront and cross-examine the witnesses against him;
23 the right to present evidence and to testify on his own behalf; the right to the issuance of
24 subpoenas to compel the attendance of witnesses and the production of documents; the right to
25 reconsideration and court review of an adverse decision; and all other rights accorded by the
26 California Administrative Procedure Act and other applicable laws.

27 7. Respondent voluntarily, knowingly, and intelligently waives and gives up
28 each and every right set forth above.

1 CULPABILITY

2 8. Respondent admits the truth of each and every charge and allegation in
3 Accusation No. AC-2006-9

4 9. Respondent agrees that his Certified Public Accountant Certificate No.
5 CPA 37246 is subject to discipline and he agrees to be bound by the Board's imposition of
6 discipline as set forth in the Disciplinary Order below.

7 CIRCUMSTANCES IN MITIGATION

8 10. Respondent has never been the subject of any previous disciplinary action.
9 He is admitting responsibility at an early stage in the proceedings.

10 RESERVATION

11 11. The admissions made by Respondent herein are only for the purposes of
12 this proceeding, or any other proceedings in which the California Board of Accountancy or other
13 professional licensing agency is involved, and shall not be admissible in any other criminal or
14 civil proceeding.

15 CONTINGENCY

16 12. This stipulation shall be subject to approval by the California Board of
17 Accountancy . Respondent understands and agrees that counsel for Complainant and the staff of
18 the California Board of Accountancy may communicate directly with the Board regarding this
19 stipulation and settlement, without notice to or participation by Respondent. By signing the
20 stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek
21 to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails
22 to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary
23 Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal
24 action between the parties, and the Board shall not be disqualified from further action by having
25 considered this matter.

26 13. The parties understand and agree that facsimile copies of this Stipulated
27 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same
28 force and effect as the originals.

1 14. In consideration of the foregoing admissions and stipulations, the parties
2 agree that the California Board of Accountancy may, without further notice or formal
3 proceeding, issue and enter the following Disciplinary Order:

4 **DISCIPLINARY ORDER**

5 IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. CPA
6 37246 issued to Respondent Douglas Edward Williams is revoked. However, the revocation is
7 stayed and Respondent is placed on probation for three (3) years on the following terms and
8 conditions :

9 1. **Obey All Laws.** Respondent shall obey all federal, California, other
10 states' and local laws, including those rules relating to the practice of public accountancy in
11 California.

12 2. **Submit Written Reports.** Respondent shall submit, within ten (10) days
13 of completion of the quarter, written reports to the Board on a form obtained from the Board.
14 The Respondent shall submit, under penalty of perjury, such other written reports, declarations,
15 and verification of actions as are required. These declarations shall contain statements relative to
16 Respondent's compliance with all the terms and conditions of probation. Respondent shall
17 immediately execute all release of information forms as may be required by the Board or its
18 representatives.

19 3. **Personal Appearances.** Respondent shall, during the period of probation,
20 appear in person at interviews/meetings as directed by the Board or its designated
21 representatives, provided such notification is accomplished in a timely manner.

22 4. **Comply With Probation.** Respondent shall fully comply with the terms
23 and conditions of the probation imposed by the Board and shall cooperate fully with
24 representatives of the Board of Accountancy in its monitoring and investigation of the
25 Respondent's compliance with probation terms and conditions.

26 5. **Practice Investigation.** Respondent shall be subject to, and shall permit,
27 practice investigation of the Respondent's professional practice. Such a practice investigation
28 shall be conducted by representatives of the Board, provided notification of such review is

1 accomplished in a timely manner.

2 6. **Comply With Citations.** Respondent shall comply with all final orders
3 resulting from citations issued by the Board of Accountancy.

4 7. **Tolling of Probation For Out-of-State Residence/Practice.** In the event
5 Respondent should leave California to reside or practice outside this state, Respondent must
6 notify the Board in writing of the dates of departure and return. Periods of non-California
7 residency or practice outside the state shall not apply to reduction of the probationary period, or
8 of any suspension. No obligation imposed herein, including requirements to file written reports,
9 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
10 affected by such periods of out-of-state residency or practice except at the written direction of the
11 Board.

12 8. **Violation of Probation.** If Respondent violates probation in any respect,
13 the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation
14 and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke
15 probation is filed against Respondent during probation, the Board shall have continuing
16 jurisdiction until the matter is final, and the period of probation shall be extended until the matter
17 is final.

18 9. **Completion of Probation.** Upon successful completion of probation,
19 Respondent's license will be fully restored.

20 10. **Ethics Course/Examination.** Respondent shall take and pass with a score
21 of 90 percent or better a Board approved ethics examination within the first six months of
22 probation.

23 If Respondent fails to pass said examination within the time period provided or
24 within two attempts, Respondent shall so notify the Board and shall cease practice until
25 Respondent takes and successfully passes said exam, has submitted proof of same to the Board,
26 and has been notified by the Board that Respondent may resume practice. Failure to pass the
27 required examination no later than 100 days prior to the termination of probation shall constitute
28 a violation of probation.

1 Notwithstanding any other provision of this probation, failure to take and pass this
2 examination within five years of the effective date of this order constitutes a separate cause for
3 discipline of Respondent's license.

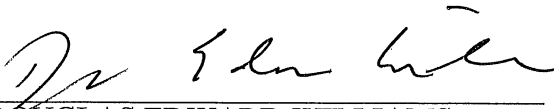
4 **11. Active License Status.** Respondent shall at all times maintain an active
5 status with the Board, including during any period of suspension. If the license is expired at the
6 time the Board's decision becomes effective, the license must be renewed within 30 days of the
7 effective date of the decision.

8 **12. Cost Reimbursement.** Respondent shall reimburse the Board \$ 7,030.00
9 (Seven Thousand, Thirty Dollars) for its investigation and prosecution costs, which sum shall be
10 paid on a schedule approved by the Board. In no event shall the final payment be due less than
11 six months prior to the end of probation.

12
13 ACCEPTANCE

14 I have carefully read the Stipulated Settlement and Disciplinary Order. I
15 understand the stipulation and the effect it will have on my Certified Public Accountant
16 Certificate. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly,
17 and intelligently, and agree to be bound by the Decision and Order of the Board of Accountancy

18 DATED: 10/2/06.

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21 DOUGLAS EDWARD WILLIAMS
Respondent

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ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Board of Accountancy.

DATED: 10-10-06.

BILL LOCKYER, Attorney General
of the State of California



SUSAN MELTON WILSON
Deputy Attorney General
Attorneys for Complainant

DOJ Docket/Matter ID Number: LA2004601924
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**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. AC-2006-9

DOUGLAS EDWARD WILLIAMS
19611 East Covina Hills Road
Covina, CA 91724

Certified Public Accountant License Certificate No. 37246

Respondent.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy as its Decision in this matter.

This Decision shall become effective on January 7, 2007.

It is so ORDERED December 8, 2006.



FOR THE CALIFORNIA BOARD OF ACCOUNTANCY

1 BILL LOCKYER, Attorney General
of the State of California
2 SUSAN MELTON WILSON, State Bar No. 106902
Deputy Attorney General
3 California Department of Justice
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4 Los Angeles, CA 90013
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5 Facsimile: (213) 897-2804
6 Attorneys for Complainant

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8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. AC-2006-9

12 DOUGLAS EDWARD WILLIAMS
19611 East Covina Hills Road
13 Covina, CA 91724

A C C U S A T I O N

14 Certified Public Accountant License Certificate No. 37246

15 Respondent.

16
17 Complainant alleges:

18 PARTIES

19 1. Carol Sigmann (Complainant) brings this Accusation solely in her official
20 capacity as the Executive Officer of the California Board of Accountancy, Department of
21 Consumer Affairs (Board).

22 LICENSE HISTORY

23 2. On or about March 18, 1983, the Board issued Certified Public Accountant
24 License Certificate No. 37246 to Douglas Edward Williams (Respondent).

25 3. The certificate was not valid, either inactive or expired, during the
26 following periods:

27 October 1, 1990 through October 27, 1990 - expired

28 October 1, 1992 through October 25, 1992 - expired

1 October 1, 1994 through July 18, 1997 - expired

2 July 19, 1997 through June 29, 1998 - inactive

3 October 1, 2002 through January 8, 2003 - expired

4 January 9, 2003 through September 30, 2004 - inactive

5 4. The certificate will expire on September 30, 2006, unless renewed.

6 JURISDICTION

7 5. This Accusation is brought before the California Board of Accountancy
8 (Board), Department of Consumer Affairs, under the authority of the following laws. All section
9 references are to the Business and Professions Code unless otherwise indicated.

10 6. Section 5050 states:

11 "No person shall engage in the practice of public accountancy in this State unless
12 such person is the holder of a valid permit to practice public accountancy issued by the board;
13 provided, however, that nothing in this chapter shall prohibit a certified public accountant or a
14 public accountant of another state, or any accountant of a foreign country lawfully practicing
15 therein, from temporarily practicing in this State on professional business incident to his regular
16 practice in another state or country."

17 7. Section 5051 states:

18 "Except as provided in Sections 5052 and 5053, a person shall be deemed to be
19 engaged in the practice of public accountancy within the meaning and intent of [Chapter 1 of
20 Division 3 (commencing with Section 5000)] if he or she does any of the following:

21 "(a) Holds himself or herself out to the public in any manner as one skilled in the
22 knowledge, science, and practice of accounting, and as qualified and ready to render professional
23 service therein as a public accountant for compensation.

24 "(b) Maintains an office for the transaction of business as a public accountant.

25 "(c) Offers to prospective clients to perform for compensation, or who does
26 perform on behalf of clients for compensation, professional services that involve or require an
27 audit, examination, verification, investigation, certification, presentation, or review of financial
28 transactions and accounting records.

1 "(d) Prepares or certifies for clients reports on audits or examinations of books or
2 records of account, balance sheets, and other financial, accounting and related schedules,
3 exhibits, statements, or reports that are to be used for publication, for the purpose of obtaining
4 credit, for filing with a court of law or with any governmental agency, or for any other purpose.

5 "(e) In general or as an incident to that work, renders professional services to
6 clients for compensation in any or all matters relating to accounting procedure and to the
7 recording, presentation, or certification of financial information or data.

8 "(f) Keeps books, makes trial balances, or prepares statements, makes audits, or
9 prepares reports, all as a part of bookkeeping operations for clients.

10 "(g) Prepares or signs, as the tax preparer, tax returns for clients.

11 "(h) Prepares personal financial or investment plans or provides to clients
12 products or services of others in implementation of personal financial or investment plans.

13 "(i) Provides management consulting services to clients.

14 "The activities set forth in subdivisions (f) to (i), inclusive, are 'public
15 accountancy' only when performed by a certified public accountant or public accountant, as
16 defined in this chapter.

17 "A person is not engaged in the practice of public accountancy if the only services
18 he or she engages in are those defined by subdivisions (f) to (i), inclusive, and he or she does not
19 hold himself or herself out, solicit, or advertise for clients using the certified public accountant or
20 public accountant designation. A person is not holding himself or herself out, soliciting, or
21 advertising for clients within the meaning of this section solely by reason of displaying a CPA or
22 PA certificate in his or her office or identifying himself or herself as a CPA or PA on other than
23 signs, advertisements, letterhead, business cards, publications directed to clients or potential
24 clients, or financial or tax documents of a client."

25 8. Section 5100 states, in pertinent part:

26 "After notice and hearing the board may revoke, suspend, or refuse to renew any
27 permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5
28 (commencing with Section 5080), or may censure the holder of that permit or certificate for

unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

....

"(g) Willful violation of this chapter or any rule or regulation promulgated by the board under the authority granted under this chapter. . . ."

9. Section 5107, subdivision (a), states:

"The executive officer of the board may request the administrative law judge, as part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate found to have committed a violation or violations of this chapter to pay to the board all reasonable costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees. The board shall not recover costs incurred at the administrative hearing."

10. California Code of Regulations, title 16 section 80, states, in pertinent part:

"Upon application, a licensee may have his/her license placed in an inactive status.

"(a) The holder of an inactive license shall not engage in the practice of public accountancy as defined in Section 5051 of the Business and Professions Code. This section does not prohibit a holder of an inactive license from receiving a share of the net profits from a public accounting firm or other compensation from a public accounting firm, provided that the licensee does not otherwise engage in the practice of public accountancy, directly or indirectly."

FIRST CAUSE FOR DISCIPLINE

(Practicing Without a Valid Permit)

11. Respondent is subject to disciplinary action under Section 5100 in violation of Section 5050 in that Respondent engaged in the practice of public accountancy without a valid permit, as follows:

a. On or about September 11, 2003, Respondent executed and presented to World Wide Missions' Board of Directors an Independent Auditor's Report ("Report") for the fiscal year July 1, 2002 through June 30, 2003. Respondent's permit was in "inactive" status

during the time he completed fieldwork for said Report, and at the time the Report was issued.

b. On or about September 11, 2003, Respondent presented to World Wide Missions' Board of Directors an IRS Form 990 ("Form") for the period July 1, 2002 through June 30, 2003, using the CPA designation in the paid preparer's identification block and location of books and records. Respondent's permit was in "inactive" status at the time said Form was prepared and issued.

SECOND CAUSE FOR DISCIPLINE

(Practicing With an Inactive License)

12. Respondent is subject to disciplinary action under Section 5100 and in violation of California Code of Regulations, title 16, section 80, subdivision (a), in that Respondent engaged in the practice of public accountancy with an inactive CPA license, as set forth above in paragraph 11.

THIRD CAUSE FOR DISCIPLINE

(Wilful Violation of Board Regulations)

13. Respondent is subject to disciplinary action under Section 5100, subdivision (g), in that Respondent willfully violated the Board's regulations by engaging in the practice of public accountancy with an inactive permit, after being cited for a substantially similar violation in 1997. On or about December 23, 1997, Citation No. CT-98-17 was issued against Respondent, for violation of Section 5050 during the period from October 1, 1994, through July 18, 1997, with an Order of Correction and payment of an administrative fine. Citation No. CT-98-17 is final.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the California Board of Accountancy issue a decision:

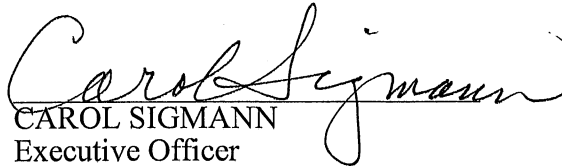
1. Revoking or suspending or otherwise imposing discipline upon Certified Public Accountant License Certificate No. 37246, issued to Douglas Edward Williams.

///

1 2. Ordering Douglas Edward Williams to pay the California Board of
2 Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to
3 Business and Professions Code section 5107;

4 3. Taking such other and further action as deemed necessary and proper.
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6 DATED: June 19, 2006
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CAROL SIGMANN
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California

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12 Complainant
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